



## Postlethwaite & Nettterville

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City Council  
 City of Denham Springs  
 City of Denham Springs Arts Council  
 Denham Springs, Louisiana

We have performed the procedures enumerated below solely to assist you with respect to the accounting records of the City of Denham Springs Arts Council (the Arts Council) from inception through December 31, 2009. This engagement to apply accounting procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### Procedures

Confirmed cash and obtained bank reconciliations as of December 31, 2009 and tested for accuracy.

Selected contributions over \$500 from inception through December 31, 2009 and verified that the contributions were recorded properly and spent for their designated purpose, if applicable.

Selected disbursements over \$500 from inception through December 31, 2009, traced to invoices and verified that the disbursement was authorized, appears reasonable and is in accordance with the purpose of the Arts Council.

Reviewed the procedures over cash receipts in the Arts Council and make recommendations for improvement where necessary.

### Results and Findings

The bank balance as December 31, 2009 of the checking account held by the City of Denham Springs Arts Council was \$824.55. No bank reconciliation was prepared as there were no outstanding items. We suggest that the bank reconciliations and statements be reviewed by someone independent of the initial deposit and disbursement function.

The contributions received by the Arts Council appeared to be properly recorded and spent for their designated purpose, if applicable. We suggest that a liability bond insure the primary person responsible for handling cash. Also, all checks received by the Arts Council should be stamped "For Deposit Only" by the individual who receives the checks. Additionally, attendance records and vendor lists should be filed with deposit slips as support that all money owed to the Arts Council was reported and deposited for art classes and the artists market.

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the city and other appropriate public entities. The report is available for public inspection at the Library House office of the Legislative Auditor General, or at appropriate, at the office of the parish clerk of court.

The controls over the Gala revenue and expense should be enhanced. For example, all unused tickets should be accounted for. Board members should be required to submit the unused tickets to the committee chairperson with no exceptions. The number of persons that actually attend the Gala should be compared with the number of tickets sold to be sure that attendance doesn't exceed the number of tickets sold. The budget for the Gala should be monitored by someone other than the chairperson and variances should be explained and documented.

The majority of disbursements appeared to have been properly recorded and appropriate records were maintained. Procedures of the Arts Council require that a purchase/invoice/receipt requisition must be completed and approved by the appropriate party. An invoice is also required and is typically initiated prior to payment. All documentation should be kept on file for recordkeeping purposes and the above approval process should be followed at all times. However, during testing, we noted the following twelve disbursements with exceptions:

- Check No. 12423, 03/30/1999, \$544.08. Payee A. D. Brownard.  
No purchase order found on file.
- Check No. 12376, 03/30/1999, \$2,035.85. Payee B. P. Ferguson & Associates.  
No purchase order found on file.
- Check No. 14403, 05/01/2000, \$1,800.00. Payee Indian Magnificent.  
No invoice, purchase requisition, purchase order, or proper authorization found on file.
- Check No. 14403, 05/01/2000, \$1,800.00. Payee Ramoniques.  
No purchase order found on file.
- Check No. 14733, 05/01/2000, \$1,699.15. Payee Ramoniques.  
Proper authorization not found on file.
- Check No. 23179, 09/25/2001, \$50.80. Payee Lagitappe Restaurant.  
No invoice or purchase requisition found on file.
- Check No. 34258, 11/02/2001, \$34.67. Payee Julia Poles.  
No purchase requisition found on file.
- Check No. 25668, 09/30/2001, \$103.75. Payee Dorothy Leblanc.  
No purchase requisition found on file.
- Check No. 8436, 07/12/2001, \$450.80. Payee O'Neill's Music House.  
No purchase requisition, purchase order, or proper authorization found on file.
- Check No. 23785, 05/23/2001, \$469.08. Payee Allen Brownard.  
No purchase requisition found on file.

- Check No. 34346, 11/02/2001, \$158.00. Payee Jeanne Lehey.  
No purchase requisition or purchase order found on file.
- Check No. 34903, 12/11/2001, \$158.00. Payee Maria Gentry.  
No purchase requisition found on file.

The disbursements with exceptions totaled approximately 34% of the total disbursements tested. The two most frequent exceptions, disbursements lacking purchase orders and disbursements lacking purchase requisitions were approximately 12% and 9% of the total disbursements tested, respectively.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Pastor Huarte & Nettlesville*

Baton Rouge, Louisiana  
June 26, 2002



# ARTS COUNCIL



OF GREATER DENHAM SPRINGS

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 05-27-10 BY 60322 SPJ/BJ/SPJ

August 22, 2002

Postlethwaite & Nationville

Attn: Candy Wright

Dear Ms. Wright:

The Arts Council of Greater Denham Springs appreciates the evaluation you have performed on our behalf. After careful study of the findings and also the recommendations made, we have adopted many of the suggested procedures.

Our organization has recently changed its status and at present is in the process of establishing ourselves to function outside of the umbrella of the City of Denham Springs.

The procedures for purchases/inbursement have been adjusted slightly to accommodate our new structure. Briefly, we no longer require purchase orders and/or requisition orders; however, all expenses are approved by board majority and require the President's initials before invoices/payments are made. Our checks require two signatures, the President and the Treasurer. Also, a financial statement and bank reconciliation is presented to the full board of directors on a monthly basis.

As we continue to make the transition to our new status, we will further examine these recommendations to see where they may be adopted to improve the efficiency of our organization.

Thank you again for your guidance and recommendations regarding our accounting functions.

Julia R. Hales  
Treasurer

Arts Council of Denham Springs

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